

CHECKLIST ENVIRONMENTAL ASSESSMENT

Project Name:	2007 Land Banking – Helena Unit – CLO – 28, T16N, R4W
Proposed Implementation Date:	2008
Proponent:	This tract was nominated by the lessee, the Dearborn Ranch, and brought forward now by DNRC.
Location:	T16N, R4W, section 28, N2NW, SENW, S2SE, 200 acres
County:	Lewis & Clark County
Trust:	Common School

I. TYPE AND PURPOSE OF ACTION

Offer for Sale at Public Auction, 200 acres of state land currently held in trust for the benefit of Common Schools. Revenue from the sale would be deposited in a special account, with monies from other sales around the State, to purchase replacement lands meeting acquisition criteria related to legal access, productivity, potential income and proximity to existing state ownership which would then be held in trust for the benefit of the same beneficiary Trusts in relative proportion. The proposed sale is part of a program called Land Banking authorized by the 2003 Legislature, and updated by the 2007 Legislature. The purpose of the program is for the Department of Natural Resources and Conservation to overall, diversify uses of land holdings of the various Trusts, improve the sustained rate of return to the Trusts, improve access to state trust land and consolidate ownership.

II. PROJECT DEVELOPMENT

1. PUBLIC INVOLVEMENT, AGENCIES, GROUPS OR INDIVIDUALS CONTACTED:

Provide a brief chronology of the scoping and ongoing involvement for this project.

- A letter was distributed in September 2004 to all state surface lessees informing them of the Land Banking Program and requesting nominations be submitted by lessees between October 1, 2004 and January 31, 2005. *(These tracts were nominated at that time and are now being considered as part of the second Statewide round of Land banking sales.)*
- Legal notices were published in the Helena I.R. on 11/11 and 11/18/2007, and in the Great Falls Tribune on 11/4 and 11/11/2007.
- Direct mailings were made to lessees, adjacent land owners, County Commissioners, State Legislators (from the involved Districts and who were associated with the legislation), and a host of organizations and individuals who had expressed previous interest in this process. A full listing of contacts is attached as Appendix B.
- Follow-up contacts were made by phone, mail, or email with parties requesting additional information. These are also included in Attachment B.
- The tracts were also posted on the DNRC web page at, <http://dnrc/mt.gov/TLMSPublic/LandBanking/LBTest.aspx>

2. OTHER GOVERNMENTAL AGENCIES WITH JURISDICTION, LIST OF PERMITS NEEDED:

No other governmental agencies have jurisdiction over this proposal.

3. ALTERNATIVES CONSIDERED:

Alternative A (No Action) – Under this alternative, the State retains the existing land ownership pattern and would not sell the 200 acres of Common School Trust Land contained in Section 28-T16N-R4W at the present time.

Alternative B (the Proposed action) – Under this alternative, the Department would request and recommend approval by the Land Board to sell the proposed land locked tracts. If approved by the Board, the sale would be at public auction, subject to the requirements found in Title 77, Chapter 2, Part 3 of the Montana Codes Annotated. The income from the sale would be pooled with other land sale receipts from across the State to fund the purchase of other state land, easements, or improvements for the beneficiaries of the respective trusts. *(The State would then review available lands for sale which would generally have access and an increased potential for income. A separate public scoping and review would be conducted when a potentially suitable parcel was found. It is not possible for this analysis to make any direct parcel to parcel comparisons.)*

III. IMPACTS ON THE PHYSICAL ENVIRONMENT

- *RESOURCES potentially impacted are listed on the form, followed by common issues that would be considered.*
- *Explain POTENTIAL IMPACTS AND MITIGATIONS following each resource heading.*
- *Enter "NONE" If no impacts are identified or the resource is not present.*

4. GEOLOGY AND SOIL QUALITY, STABILITY AND MOISTURE:

Consider the presence of fragile, compactable or unstable soils. Identify unusual geologic features. Specify any special reclamation considerations. Identify any cumulative impacts to soils.

A variety of soil types are found across these tracts. The proposal does not involve any on the ground disturbance, so there are no soil effect differences between the alternatives. The State does own, and would retain ownership of, all mineral rights.

5. WATER QUALITY, QUANTITY AND DISTRIBUTION:

Identify important surface or groundwater resources. Consider the potential for violation of ambient water quality standards, drinking water maximum contaminant levels, or degradation of water quality. Identify cumulative effects to water resources.

There are only ephemeral drainages, springs and small intermittent stream segments on the lands proposed for sale. There is one recorded water rights upon this tract, currently held by DNRC.

legal	Water right no.	purpose	source	Priority date
28, T16N, R4W	41U8141	Stock water	spring	7/1/1962

If sold, the water right would be transferred to the purchaser.

The water rights on these tracts are currently utilized by the Dearborn Ranch, the state lessee. These water sources were previously important higher elevation water sources for cattle grazing on pasture lands west of The Reef (a major topographic feature in this area). Phil Wirth is the land owner of lands in section 29 (west of 28) and section 33 (south of Section 28) and has access through his ownership to both portions of the state land in Section 28. He has expressed interest in acquiring the use of this water again, either by leasing the state land, (he did lease the tracts from about 1999 through 2002), exchange of lands, or purchase of the state land at auction.

6. AIR QUALITY:

What pollutants or particulate would be produced? Identify air quality regulations or zones (e.g. Class I air shed) the project would influence. Identify cumulative effects to air quality.

The proposal does not include any on-the-ground activities, or changes to activities. No effects to air quality would occur.

7. VEGETATION COVER, QUANTITY AND QUALITY:

What changes would the action cause to vegetative communities? Consider rare plants or cover types that would be affected. Identify cumulative effects to vegetation.

Vegetation may be affected by numerous land management activities including livestock grazing, development, wildlife management or agricultural use. It is unknown what land use activities may be associated with a change in ownership; however the vegetation on this tract is typical of a land throughout the vicinity and there are no known rare, unique cover types or vegetation on the tract. Range conditions are currently rated excellent on this tract. The proposal does not include any on-the-ground activities, or changes to activities and therefore we do not expect direct or cumulative effects would occur to vegetation as a result of the proposal.

8. TERRESTRIAL, AVIAN AND AQUATIC LIFE AND HABITATS:

Consider substantial habitat values and use of the area by wildlife, birds or fish. Identify cumulative effects to fish and wildlife.

These tracts provide habitat typical of surrounding lands for a variety of species common to this area, Elk, Mule Deer, Whitetail Deer, upland game birds, raptors, coyote, fox, badger, songbirds, etc. The proposal does not include any land use change which would yield changes or effects to the wildlife habitat. The nominating lessee has indicated that if they were to purchase the lands at auction, the land use as ranch pasture land would continue unchanged. There are no unique or critical wildlife habitats associated with the state tract and we do not expect direct or cumulative wildlife impacts would occur as a result of implementing the proposal.

9. UNIQUE, ENDANGERED, FRAGILE OR LIMITED ENVIRONMENTAL RESOURCES:

Consider any federally listed threatened or endangered species or habitat identified in the project area. Determine effects to wetlands. Consider Sensitive Species or Species of special concern. Identify cumulative effects to these species and their habitat.

No specific on-site observations of Threatened or Endangered species have been recorded and no important habitat has been identified on the state lands. A review of Natural Heritage data through NRIS was conducted. The potential for intermittent use by Grey Wolf, a wide ranging species with the ability to utilize many types of habitat, is present.

The proposal does not include any activities which would alter any habitat, so no effects are expected in either alternative.

10. HISTORICAL AND ARCHAEOLOGICAL SITES:

Identify and determine effects to historical, archaeological or paleontological resources.

The presence or absence of antiquities is presently unknown. A class III level inventory and subsequent evaluation of cultural and paleontologic resources will be carried out if preliminary approval of the parcel nomination by the Board of Commissioners is received. Based on the results of the Class III inventory/evaluation the DNRC will, in consultation with the Montana State Historic Preservation Officer, assess direct and cumulative impacts.

11. AESTHETICS:

Determine if the project is located on a prominent topographic feature, or may be visible from populated or scenic areas. What level of noise, light or visual change would be produced? Identify cumulative effects to aesthetics.

The tract is visible, or partially so, from other adjacent lands and from public roadways. The state land does not provide any unique scenic qualities not also provided on adjacent private lands. The proposal does not include any on-the-ground activities, so there would be no change to the aesthetics in either alternative.

12. DEMANDS ON ENVIRONMENTAL RESOURCES OF LAND, WATER, AIR OR ENERGY:

Determine the amount of limited resources the project would require. Identify other activities nearby that the project would affect. Identify cumulative effects to environmental resources.

There are 5,166,510 acres of Trust land surface ownership in Montana (TLMS power search, 1/2/2008). Approximately 4,673,200 acres are in the Common School Trust, statewide. There are approximately 136,220 acres of Trust Land in Lewis & Clark County, with 5,873.93 of these acres leased by the Dearborn Ranch. This proposal includes 200 acres, a small percentage of the state land even in just this area.

There are additional tracts of state land currently under consideration for sale through the Land Banking Program. An additional 2,440.04 acres of state land in Lewis and Clark County, all leased by the Dearborn Ranch, are being evaluated under separate analysis. Cumulatively, these lands considered for sale represent 45% of the lands leased by the Dearborn Ranch, 1.9% of the State Trust surface ownership in Lewis & Clark County. Statewide there are additional lands currently under consideration for Land Banking, totaling approximately 20,000 acres, representing 0.38% of the statewide Trust surface ownership.

The potential transfer of ownership would not have any impact or demands on environmental resources of Land water, air or energy.

13. OTHER ENVIRONMENTAL DOCUMENTS PERTINENT TO THE AREA:

List other studies, plans or projects on this tract. Determine cumulative impacts likely to occur as a result of current private, state or federal actions in the analysis area, and from future proposed state actions in the analysis area that are under MEPA review (scoped) or permitting review by any state agency.

There are no other projects or plans being considered on the tracts listed on this EA. Grazing Lease Range evaluations have been conducted on this tract and are in the Department files.

There are 5 related EAs currently being prepared titled "2007 Land Banking – Helena Unit – CLO – [STR](#)", which evaluate the potential sale of the following tracts.

T15N, R3W, section 18, Lots 1, 2, 3, 4, E2W2, E2, 600.04 acres
T16N, R3W, section 16, all, 640 acres
T16N, R4W, section 2, SE, SENE, E2SW, 280 acres
T16N, R4W, section 16, all, 640 acres
T16N, R4W, section 34, NWNW, SENW, NWSE, S2S2, 280 acres
(Total of 2440.04 acres)

Each tract is being considered under a separate review and document due to slightly different effects, primarily related to recreational uses from other adjacent private lands.

Total land banking acreage under consideration in this area is 2640.04 acres.

IV. IMPACTS ON THE HUMAN POPULATION
<ul style="list-style-type: none">• <i>RESOURCES potentially impacted are listed on the form, followed by common issues that would be considered.</i>• <i>Explain POTENTIAL IMPACTS AND MITIGATIONS following each resource heading.</i>• <i>Enter "NONE" if no impacts are identified or the resource is not present.</i>

14. HUMAN HEALTH AND SAFETY:

Identify any health and safety risks posed by the project.

No impacts to human health and safety would occur as a result of the proposal.

15. INDUSTRIAL, COMMERCIAL AND AGRICULTURE ACTIVITIES AND PRODUCTION:

Identify how the project would add to or alter these activities.

The tracts included in this proposal are all leased by the Dearborn Ranch for grazing.

legal	acres	Lease #	State rated AUM capacity
N2NW, SENW,S2SE, 28, T16N, R4W	200	L-8534	62 AUM (0.31 AUM/ac.)

This proposal does not include any specific changes to the agricultural activities. The nominating lessee indicated that grazing would continue unchanged if they purchased these lands.

Lease L-8534 was held by Phil Wirth from 1999 through 2002, in addition he owned other lands in this section (and did not then own the land he now owns adjacent to this section). The Reef is a major topographic feature in this area, which for years was a natural pasture break and in some cases the land ownership break. In about 2002, Mr. Wirth sold his private lands and assigned these leases to the Dearborn Ranch. Since that time, he was successful in the purchase of the Thompson properties, the lands he now owns adjacent on the west and south to the state lands considered in this proposal. The water sources in the upper basins of the Reef were previously important water sources for the pastures on the west side of the Reef, and it would be advantageous for Mr. Wirth's grazing plans to regain the use of these water sources. Mr. Wirth would prefer the no action alternative, and would then propose a land exchange. However, if the No Action alternative is selected, it is unlikely the State would consider any exchange for these properties, since with competing interests; the fairest open market approach would be the public auction process of the Land Banking program. If the Alternative to sell the lands is selected, Mr. Wirth indicated that he would likely bid on these tracts.

In either case described above, no direct or cumulative impacts are anticipated as a result of the proposal, the lands likely remaining as grazing lands either way.

16. QUANTITY AND DISTRIBUTION OF EMPLOYMENT:

Estimate the number of jobs the project would create, move or eliminate. Identify cumulative effects to the employment market.

The proposal would have no affect on quantity and distribution of employment.

17. LOCAL AND STATE TAX BASE AND TAX REVENUES:

Estimate tax revenue the project would create or eliminate. Identify cumulative effects to taxes and revenue.

As State Trust lands, these properties are tax exempt. If all the parcels in this proposal are sold, and use continues as agricultural land, Lewis & Clark County would receive additional property tax revenues of approximately \$161. (*Land value from Cadastral web site*0.0307 taxable rate*.50745 the mill rate for SCD 45*)

18. DEMAND FOR GOVERNMENT SERVICES:

Estimate increases in traffic and changes to traffic patterns. What changes would be needed to fire protection, police, schools, etc.? Identify cumulative effects of this and other projects on government services

Being remote grazing lands, no traffic changes would be anticipated. As State Trust lands within the Helena Unit fire affidavit area, the lands are currently receiving wildland fire protection from DNRC. If sold, the land owner could choose to continue wildland protection with DNRC, though enrollment and assessment for affidavit fire protection; or this coverage could be declined, in which case wildland fire protection would be by the Wolf Creek – Craig FSA. As a FSA, assessments are based upon structures, so unless a new landowner built on these lands, there would be no assessment for the county fire protection. If enrolled for DNRC affidavit wildland fire protection, the estimated cost would be not over \$45 per ownership, plus not over \$0.25/acre for acreages >20 acres. (§ 76-133-201 MCA).

19. LOCALLY ADOPTED ENVIRONMENTAL PLANS AND GOALS:

List State, County, City, USFS, BLM, Tribal, and other zoning or management plans, and identify how they would affect this project.

There are no zoning or other agency management plans affecting these lands.

20. ACCESS TO AND QUALITY OF RECREATIONAL AND WILDERNESS ACTIVITIES:

Identify any wilderness or recreational areas nearby or access routes through this tract. Determine the effects of the project on recreational potential within the tract. Identify cumulative effects to recreational and wilderness activities.

State Trust lands which are legally accessible to the recreationist are available for general recreational use with the purchase of a Generational Recreational Use License. Through agreement with FWP, activities associated with hunting, fishing, and trapping are allowed on legally accessible State lands through the purchase of the Conservation license. Other types of recreational use require either a "State Land Recreational Use License", or a "Special Recreational Use License", depending upon the type of use.

In general, there are 4 methods of gaining legal access for recreational purposes.

1. Access via a public road or easement for public access.
2. Access via a recreationally navigable river.
3. Access via other adjacent public lands, when there is a legal access to those lands.
4. Access via permission of an adjoining landowner.

The lands in this proposal are only accessible by method 4, the permission of an adjoining landowner. The parcels in this proposal adjoin Phil Wirth properties along one side, with Dearborn Ranch lands around the other sides. *(The Betty Ann Bay Ranch (section 20) lies with corner contact to the NW corner of the state land in the NWNW of section 28. The Bay property has a Fish, Wildlife and Parks Conservation Easement with public hunting access. However, DNRC does not consider "corner jumping" to be a legal access to Trust lands, at this time.)*

The Dearborn Ranch manages hunting upon their lands primarily by invitation, with an objective to manage for large bull elk.

Phil Wirth commented that 100 or more individuals have hunting permission on his lands annually, and this permission provides legal access to the State tracts in this proposal. Mr. Wirth reports that the hunters on his property typically target the upper reef basins where these proposed lands are located and they generally have good elk harvesting success. According to Mr. Wirth, his lands receive frequent elk damage from the large herds which make the Dearborn Ranch the core of their range and he believes the hunting activity and success that is achieved on his land and the State land is important for keeping overall herd numbers in check. These state lands are not fenced separate from the adjacent private lands and it is the hunter's responsibility to know their location. Due to the irregular configuration of the state ownership in this section, some trespass onto Dearborn Ranch lands likely occurs.

Comments from 14 hunters who access these tracts via Phil Wirth's land were received, and all opposed the sale, due to concerns for lost hunting opportunity. A FWP comment indicated that, "Elk management issues loom large in the neighborhood of all of these tracts. Any loss of opportunity for hunter access and subsequent elk harvest (be the access real or perceived) should weigh heavily in the decision making process."

If the lands are sold, hunting access would be controlled by the new landowner. If the proposal does go to auction, Mr. Wirth indicated that he may bid on the tracts.

If the Dearborn Ranch purchases these lands at auction, hunting access from other adjacent private lands would likely be terminated.

21. DENSITY AND DISTRIBUTION OF POPULATION AND HOUSING:

Estimate population changes and additional housing the project would require. Identify cumulative effects to population and housing.

The proposal does not include any changes to housing or developments. The nominating lessee has indicated that the lands would continue as grazing lands, if they purchase them at auction. No effects are anticipated.

22. SOCIAL STRUCTURES AND MORES:

Identify potential disruption of native or traditional lifestyles or communities.

There are no native, unique or traditional lifestyles or communities in the vicinity that would be impacted by the proposal.

23. CULTURAL UNIQUENESS AND DIVERSITY:

How would the action affect any unique quality of the area?

The State Trust lands in this proposal are currently managed for grazing as parts of larger pastures of mixed state and private land. The State lands are generally indistinguishable from the adjacent private lands, with no unique quality.

The potential sale of the state land would not directly or cumulatively impact cultural uniqueness or diversity. It is unknown what management activities would take place on the land if ownership was transferred. The tract was nominated by the lessee with the intent of purchasing the tract and continuing use as grazing land. The adjacent landowner (Phil Wirth) has also expressed an interest in acquiring the use of these lands either by lease, exchange, or purchase, for reasons described above in parts 5 and 15 of this EAC.

24. OTHER APPROPRIATE SOCIAL AND ECONOMIC CIRCUMSTANCES:

Estimate the return to the trust. Include appropriate economic analysis. Identify potential future uses for the analysis area other than existing management. Identify cumulative economic and social effects likely to occur as a result of the proposed action.

legal	acres	Lease income in 2007
N2NW, SENW,S2SE, 28, T16N, R4W	200	\$434.62 (\$2.17/ac.)

The 2006 annual report for DNRC shows statewide Ag./Grazing gross revenue at \$16,852,496 on 4,631,106 ag./grazing acres, for an average ag./grazing income of \$3.64/acre. This tract is classified as grazing land for Department land management purposes. This parcel has below average income per acre, and little potential for different future uses by the state.

An appraisal of the property value has not been completed to date. Under DNRC rules, an appraisal would be conducted if preliminary approval to proceed is granted by the Board of Land Commissioners. The Department is conducting more detailed evaluations at this time in order to make a determination on whether to offer the tract for sale. The revenue generated from the sale of this tract would be combined with other revenue in the Land Banking Account to purchase replacement property for the benefit of the Trust. It is anticipated the replacement property would have legal access and be adjacent to other Trust lands which would provide greater management opportunities and income. If replacement property was not purchased prior to the expiration of the statute, the revenue would be deposited into the permanent trust for investment.

EA Checklist Prepared By:	Name: D.J.Bakken, Helena Unit Manager Title:	Date:
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V. FINDING

25. ALTERNATIVE SELECTED: **for 28, T16N, R4W**

I have Selected Alternative A, The No Action Alternative. I do not recommend the tract be presented to the Board of Land Commissioners for preliminary approval. The reason for my decision is based on comments received related to limited public access opportunities from the adjacent ranch owned by Phil Wirth.

26. SIGNIFICANCE OF POTENTIAL IMPACTS:

Significant Impacts will not occur as a result of implementing the selected alternative. The state lands will likely continue to be leased for grazing and hunting opportunities for the public will continue to be available through the adjacent private lands.

27. NEED FOR FURTHER ENVIRONMENTAL ANALYSIS:

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EIS

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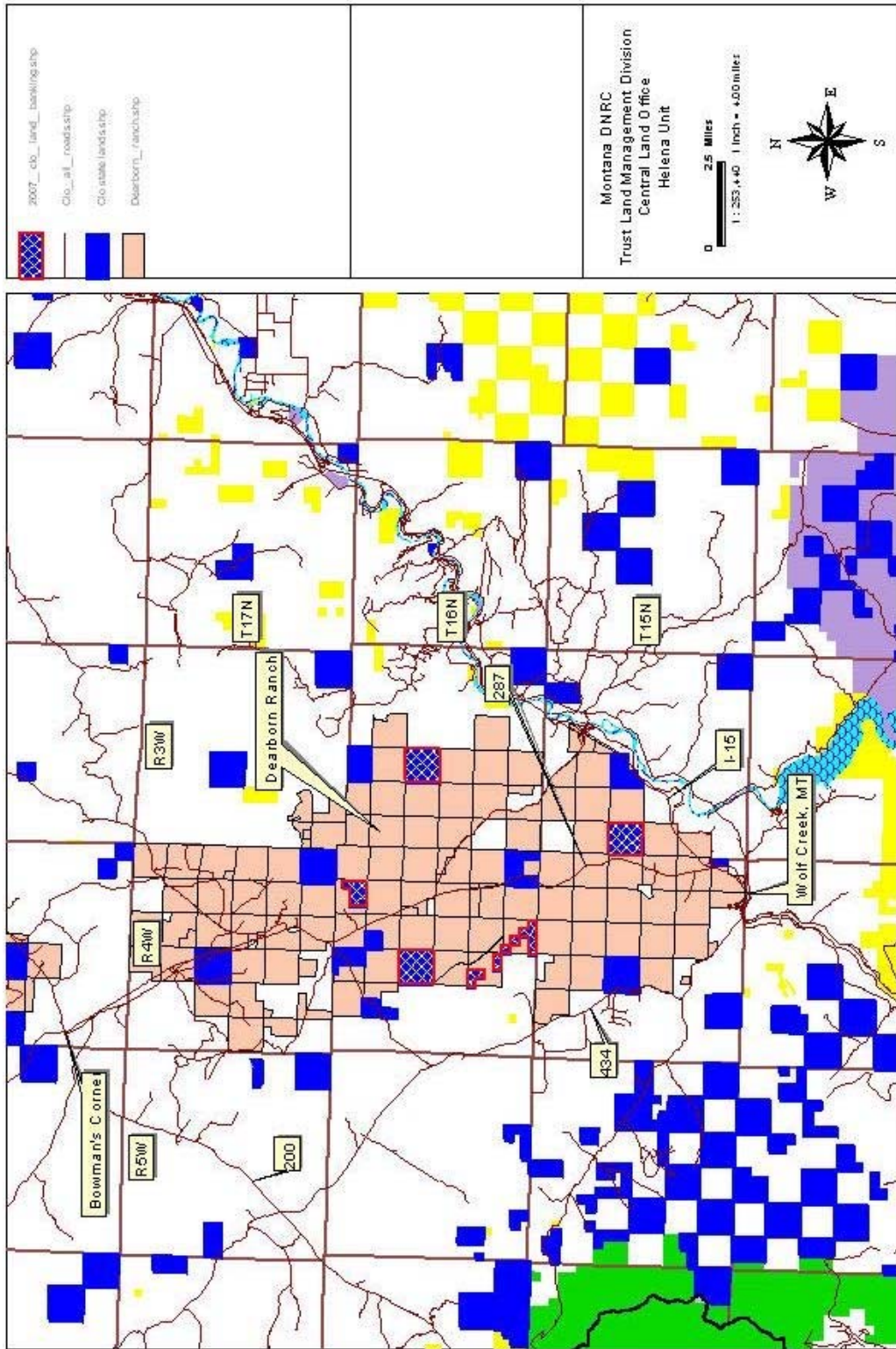
More Detailed EA

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No Further Analysis

EA Checklist Approved By:	Name: Garry Williams
	Title: Area Manager, Central land Office
Signature: Garry Williams	
Date: 1/14/2008	

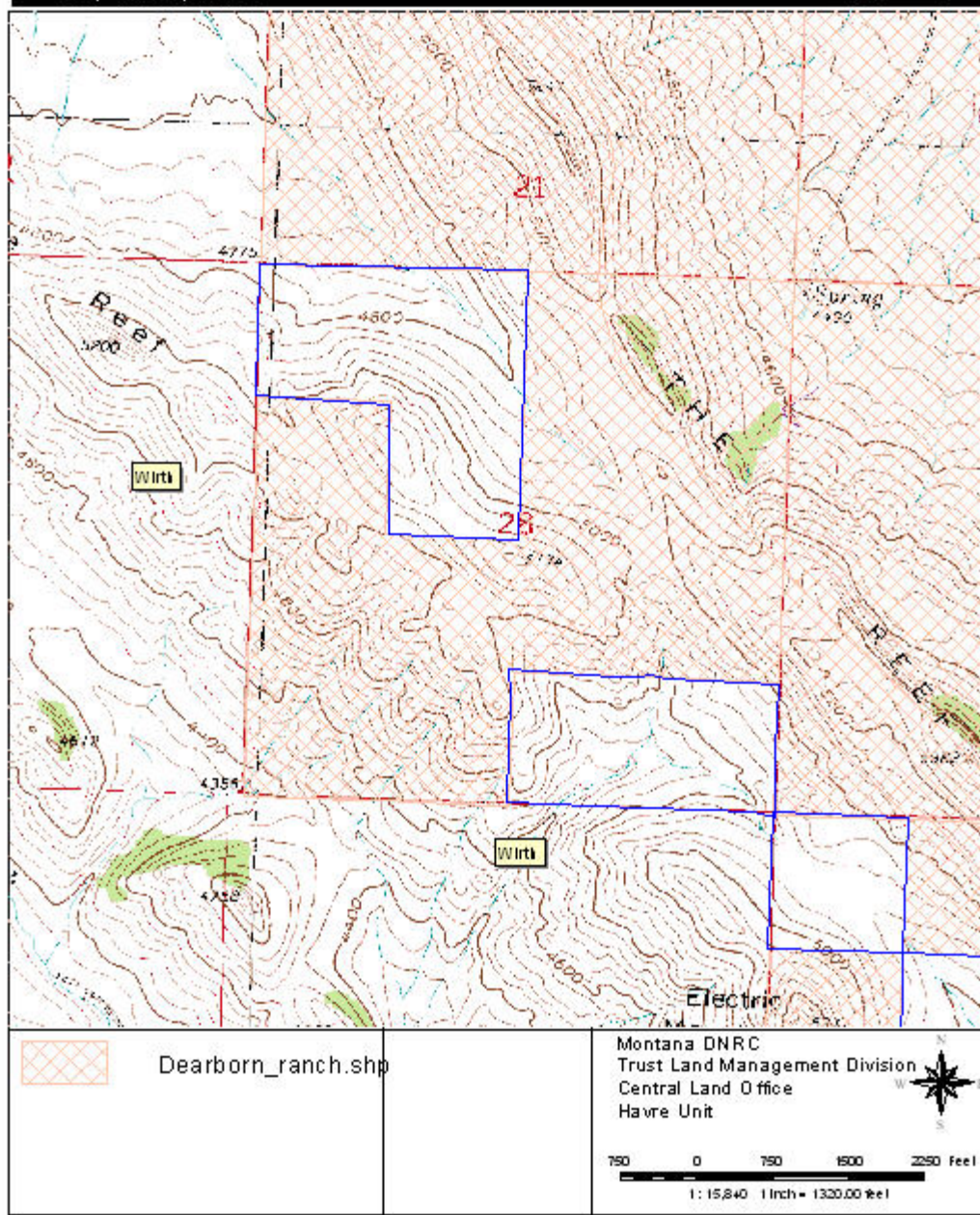
Land Banking Proposals Lewis & Clark County 2007



Plot date: October 23, 2007 gridlandnewproj.ctb specialises/land banking - tom haddis 2007_tom haddis.apr

Land Banking Proposed 2007

28, T16N, R4W



Plot date: January 3, 2008 g:\d\arcview\projects\special uses\land banking - nominations\2007_nominations.apr

**Land Banking Contacts
2007 Helena Unit Proposals**

Person	Organization
Mike Murray	Lewis & Clark County Commissioner
Ed Tinsley	Lewis & Clark County Commissioner
Andy Hunthausen	Lewis & Clark County Commissioner
John Ward	House Representative (R)
Dave Lewis	Senate (R)
Rick Ripley	House Representative (R)
John Cobb	Senate (R)
Tom Siebel, owner	Dearborn Ranch, First Virtual Group
Tom Harrington, manager	Dearborn Ranch
Jennifer L. Farve, attorney for Dearborn Ranch	Moore, O'Connell & Refling
Betty Ann Bay	Neighboring land owner
Mike Bay	Neighboring land owner
Phil Wirth	Wirth Ranch, neighboring owner
Harold Juedeman	Canyon Cattle Company, neighboring owner
Mary Sexton	DNRC Director
Tom Schultz	DNRC TLMD
Kevin Chappell	DNRC Ag./Grz. Mngt.
Monty Mason	DNRC Mineral Mngt.
David Groeschl	DNRC Forest Mngt.
Tom Hughes	DNRC Hydrologist
Jeanne Holmgren	DNRC Real Estate Mngt.
(Gary Bertellotti)	R-4 DFWP
Graham Taylor	FWP
Cory Loecker	FWP
Bryan Golie	FWP-Warden
Candace Durran	FWP
Ann Hedges	Montana Environmental Information Center
Bill Orsello	Montana Wildlife Federation
Stan Frasier	Montana Wildlife Federation
Bob Vogel	Montana School Boards Association
Ellen Engstedt	Montana Wood Products
Harold Blattie	Montana Association of Counties
Janet Ellis	Montana Audubon Society
Leslie Taylor	MSU Bozeman
Nancy Schlepp	Montana Farm Bureau Federation
Ray Marxer	Matador Cattle Company
Rosi Keller	University of Montana
Caroline Sime	The Wildlife Society, Montana Chapter

Montana Wildlife Federation	
Larry Copenhaver	Montana Wildlife Federation
Jack Atcheson, Sr.	
Darold Bennett	
Daniel Berube	
Jerry Christman	Christman Roofing
David R. Danicich	
Andrew Egge	
Peter Egge	
Gary Everson	
Robert A. Everson	
Mark Fopp	
Cameron Gillette	
Brent Hall	
Jerry Ida	
Brent Lonner	
Sean Mergenthaler	
Jim Mitchell	
Nick Morrison	
Tamer Rask	
Wayne Schottler	
Larry St. Clair	
Mike Wirth	